Payroll User Group Meeting

June 9, 2004

State House

Gardner Auditorium

9:30 – 12:30

Agenda

- Welcome
  - Kevin McHugh, CTR
- Remarks
  - Martin Benison, Comptroller
- Key Dates & System Availability
  - Joan Shea, Deputy Comptroller

- Closing FY04
  - Michael Weld, Bureau Director
- Opening FY05
  - Kevin McHugh, CTR
- Labor Cost Management
  - Kevin McHugh, CTR

Key Dates and System Availability

Joan Shea, Deputy Comptroller

Key Dates

- **<u>Wednesday , June 9</u>**   Request any needed NewMMARS Table Updates or Appropriation changes
- **<u>Monday, June 14</u>**   Mock Conversions available on View Direct
- **<u>Thursday, June 24, 2004</u>** Final day to enter HR transactions in HRCMS
- **<u>Friday, June 25, 2004</u>**   Final day for processing FY2004 payroll XE transactions in non-continuing accounts
- **<u>Friday, June 25, 2004</u>**   Deadline for PH processing
- **<u>Friday, June 25, 2004</u>**   Last day to enter time for services rendered June 13th through June 26th 2004.

Key Dates

- **<u>Friday, July 2, 2004</u>**   Deadline for departmental requests for Account Specific Settings and DEACC Rules.

- **<u>Friday, July 2, 2004</u>**   Validate Rules Conversions.

- **<u>Friday, July 2, 2004</u>**   LCM Labor Default Setup

- **<u>Thursday, July 8, 2004</u>**   Final day to enter HR transactions in HRCMS

- **<u>Friday, July 9, 2003</u>**   Last day to enter time for services rendered June 27th through July 10th 2004.

- **<u>Monday, July 19, 2004</u>**   All FY2004 payroll reject transactions and payroll accounts with negative uncommitted and unexpected balances must be corrected

Key dates

- **Friday, July 16, 2004** Deadline for correcting FY2004 XD/XF transactions & HR/CMS Advice and Check Distribution

- **Monday, July 26, 2004** Last day to enter AP payroll for payroll run on 7/27/04
  Goal: one A/P Payroll with payments by July 30

- **Tuesday, August 31, 2004** Last day for FY04 XA's

- **Wednesday, September 1, 2004** PH Lapse

- **Thursday, September 16, 2004** Final PH Lapse

Update/Reminders on Payroll Closing Fiscal Year 2004

Michael Weld

What is Split Year?
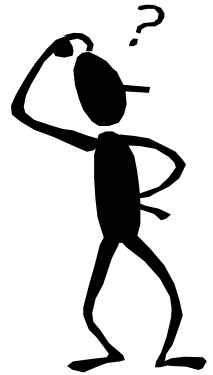
Split Year is the special payroll process where current period postings include days in both fiscal years.

To make payments to contract employees, depts. must reference a service contract SC(s) in the fiscal year (FY) services are rendered.

For this FY's split, the pay period ends 7/10/04, postings for 6/27-6/30 will charge FY2004 funds and 7/1-7/10 postings will charge FY2005 funds.

Split Year

- Method of Split Year posting the same as last year:
    - Codes entered into Weekly Elapsed Time (WET) post to the fiscal year of the time entry – dates 6/30 and before post to FY04; dates posted 7/1 and beyond post to FY05
    - Codes posted in Additional Pay split 30% to FY04 and 70% to FY05
    - Accounts Payable codes and other select codes post either 100% FY04 or 100% FY05 (see handout)

What is Accounts Payable?
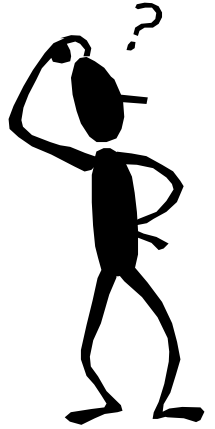
- Accounts Payable payrolls are payments made to employees in the current fiscal year for services rendered in the prior fiscal year.

Accounts Payable

- Instructions regarding FY04 Close distributed in April

- Payroll Hold (PH) encumbrances in current MMARS will still be required

- Accounts payable earning codes will be available after split payroll

Regular Employee Accounts Payable Process

- **A Payroll Hold (PH) transaction is needed to reserve funds to support Accounts Payable (A/P) payroll processed through HRCMS/PCRS. Once a PH is done on MMARS, the encumbered amount will appear on the APR2 screen.**

   HRCMS payroll transactions (PYs) go through PCRS to MMARS and reduce the PH amount.

   Departments should refer to the MMARS PAYH table to monitor all activities against the PH.

   The goal is to complete A/P payroll by the end of July but there will be a process to handle situations that could not be predicted (ex. arbitration awards, etc.).

No Accounts Payable Option for Contract employees

- Departments must require contract employees to submit his/her FY04 time by July 9 to allow processing in HRCMS for any services provided prior to June 30.

Contract Employees continuing into FY2005

FY2004

- Old Job record must reference FY2004 SC data on the HRCMS MMARS Contract Information panel

FY2005

- New Position and Job record will be converted in HRCMS and LCM and will post to the CC Subsidiary

- No Service Contract info for FY2005

- HRCMS MMARS Contract Panel to be deactivated

  - For more detailed instructions access our Website

Payroll Negative Balance Clean Up

- All XF and XD documents (FY04) must be cleaned up by July 19

- All Payroll taxes (DD subsidiary) must have sufficient funds encumbered by June 23

- All Accounts with negative balances must be corrected by August 31

Final Payroll Chargeback for FY2004 (UI, UHI, Medicare Taxes)

- Taxes based on check date – last check date for 2nd quarter is June 18

- Last chargeback for FY04 based on payroll end date of **June 26**

- New Estimates for FY05 to departments by June 23

Employee Reimbursement for FY2004

- All FY 04 reimbursements paid from "classic" MMARS through accounts payable pay period
- Encumbrances must be entered to support payments and will lapse September 1

Opening FY2005

Kevin McHugh, Payroll Manager
CTR

Payroll Refunds & Reversals FY04

- Continue to enter XE's into PCRS for all refunds prior to June 30

- Continue to deposit funds into department sweep accounts

- Continue to complete and submit all Payroll Receipt Vouchers and submit to TRE Cash Management for all FY04

Payroll Refunds & Reversals FY05

- Do not enter XE's into PCRS for refunds after June 30

- Continue to deposit funds into department sweep accounts

- Continue to complete and submit Payroll Receipt Vouchers Forms and submit to RET for all FY05 deposits

Coming Soon ….

- New document in MMARS to reconcile cash deposits
- New interface out of HRCMS to reconcile employee wages and department's payroll accounts and labor history

Early Retirement Incentive Program (ERIP) Check List

➤ERIP 1: Ensure all entries are entered for the third and final year. **After** payroll runs, remember to terminate the employee. (Please refer to the Job Aid)

➤ERIP 2: Ensure that all entries are made for FY05 Payment

Watch for mistakes:

✓End dates / Goal Amounts are correct

✓OK to Pay is checked

✓Terminated with Pay and not Terminated on Job Data Panel

✓Correct earning codes and amounts

Implementing UI Delivered Functionality

Maintaining an exempt status on designated employee's tax data panels and utilizing HRCMS Tax Reports

Overview

- Unemployment (UI) and Universal Health Insurance (UHI) are employer related taxes
- Chapter 151A of the MGL details the guidelines for unemployment tax for the Commonwealth
- Section 6 & 6a detail conditions under which an employee would be exempt from this tax.
- The link to the complete language is:

http://www.state.ma.us/legis/laws/mgl/gl-151A-toc.htm

First step towards utilizing the delivered functionality

The Comptroller's Office is responsible for the timely payment of these taxes as well as collection of each department's liability based on the employees. The delivered functionality provides a more accurate methodology and will programmatically exempt employee records that meet the criteria.

Cliff Notes on who is exempt from UI/UHI

- Any elected official
- Judges
- Board Members
- Military/National Guard
- Work Study Students

- Inmates working at the institution in which they live
- Patients/Clients working at the institution in which they reside

Historical Classification for Exemption

- Governor/Lt.Governor by SSN
- Judges in DIA by Dept/Jobcode
- All Employees in object codes C05,C06,C08,J22,J30, and J50
- Elected Officials & TRC Judges by Designated Jobcodes

What workflows are affected by this change?

This flag is set at the time of Hire. The New Hire Checklist has been updated to include this additional question. The Job Aid pertaining to "Maintaining Employee Tax Data" has also been updated.

The next slide shows the State Tax Panel 2 and the checkbox which controls this functionality.

Updating Employee Tax Data Panel

- This is the State Tax 2 panel from the Employee Tax Data. The box next to Exempt to SUI should be checked for all employees who are eligible for exemption

HTAX008:

This report lists all of the tax withholdings by Dept / Employees. There are two taxes under the Unemployment columns: "UI" and "SP". SP is the system classification for Universal Health. It stands for **Sp**ecial tax, which is unique to the Commonwealth. It falls under the Medical Security Act and provides Health Insurance benefits to those on Unemployment.

HTAX010:

- This report is a summary run each payperiod. It informs the Comptroller and Treasurer of amounts withheld and amounts owed the appropriate agencies.

HMTAX004-Multiple Worksite Location Report

- This is a federally mandated report which lists the number of employees and gross wages by physical work location. The Location Code field in HRCMS determines the grouping. This report is used by DET, along with all other employers reports in MA to determine Local Aid Distributions, gauging the unemployment rates by specific geographical areas.

As with anything,there is always a glitch….

- Because the exempt status is maintained at the employee level, an employee with multiple jobs will be exempt for all jobs. Ex.: A judge teaches at one of the colleges for a semester. DET has determined that this is acceptable given the total dollars MA pays annually.

Quality Assurance

- The Comptrollers office will monitor that the proper employees are exempted, using Job Code and will consider other jobs if an employee appears to be in error.
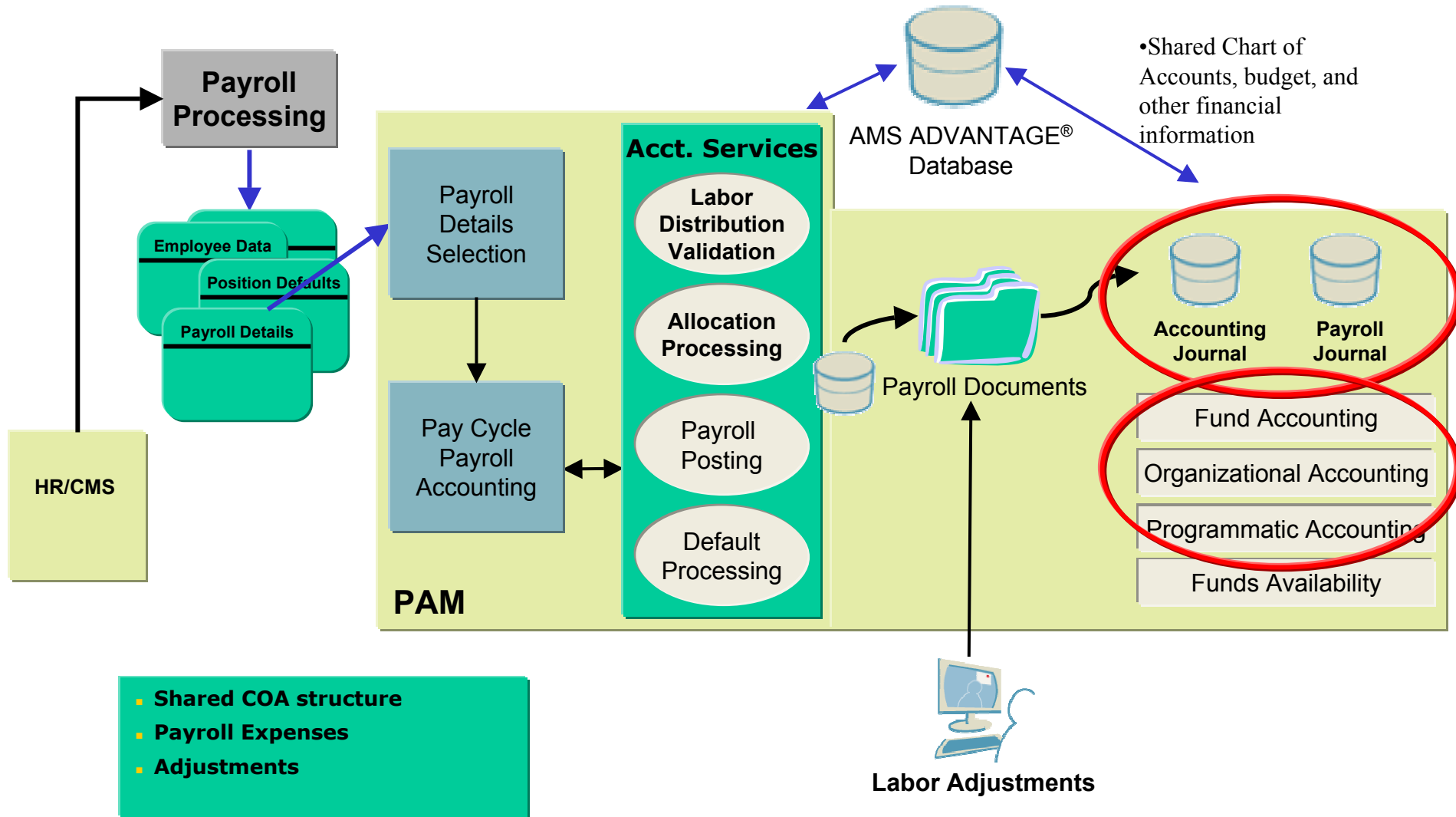
Labor Cost Management NewMMARS

PCRS Replacement Overview

Conversion Status

- Second Mock Conversion of employees, positions and defaults scheduled for June 10 with validation reports for departments June 14.

- Chart of Account elements need to be updated

- Appropriations need to be valid

System Setup Diagram

Payroll Processing

Employee Data

Position Defaults

Payroll Details

HR/CMS

Payroll Details Selection

Pay Cycle Payroll Accounting

PAM

Acct. Services

Labor Distribution Validation

Allocation Processing

Payroll Posting

Default Processing

AMS ADVANTAGE® Database

•Shared Chart of Accounts, budget, and other financial information

Payroll Documents

Accounting Journal

Payroll Journal

Fund Accounting

Organizational Accounting

Programmatic Accounting

Funds Availability

Labor Adjustments

- Shared COA structure
- Payroll Expenses
- Adjustments

LCM Rules

> ## <u>Types of Rules</u>:

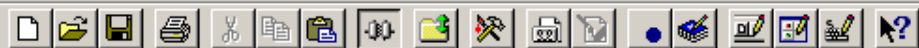1. Labor Distribution Rules
   - POAA (Position, Account and Dept. Specific Rules)
   - PALT (Alternate Account Rule)
   - PEOBJ (Pay Event Object)
   - PCREQ (Payroll COA Required Elements)
2. Funds Availability Rule
   - FACTR (Funds Availability Control Table)

> ## <u>New Request Forms</u>:

- Outlook form
- Excel form

File Edit View Tools Session Options Help

Enter a selection or press <PF12> for main menu.

```
VRULEM00              **** P C R S **** (Production)          6/07/2004
CTRASM                  Maintain PCRS Rules Tables               3:27 PM
-------------------------------------------------------------------------
                     Rules Subsystem Menu (Page 1 of 2)
Selection: ___ ( A Add, M Modify, L List, S Status list) + Rule Number

01 Alternate Account Table          13 Dept-1 Defined Table
02 Account Specific Table           14 Dept-2 Defined Table
03 Statewide Table (CTR ONLY)       15 Dept-3 Defined Table
04 MASTER TABLE (CTR ONLY)          16 Dept-4 Defined Table
05 Position Assigned #1             17 Dept-5 Defined Table
06 Position Assigned #2             18 Dept-6 Defined Table
07 Position Assigned #3             19 Org Code Table
08 Position Assigned #4             20 Program Code Table
09 Sect. Defined Headings           21 Program Code/Dept-1 Table
10 Sect-1 Defined Table             22 Non Statutory Requirement
11 Sect-2 Defined Table             23 Exception Screen Layout
12 Dept. Defined Headings           24 Rollover Table

FY: 2004 Dept: CTR Acct: ____ - ____ Position: _____ Org: 1103
Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
Done  Help  Reset Exit                         Frwd  Prior              Menu
```

Connected to host 146.243.7.50 (CIPA915)

NUM   3:32 PM

Office of the State Comptroller
LCM Rules Application Form

FISCAL YEAR [   ]   DEPT CODE [   ]   LCM DOC ID [   ]   LCM RULE TYPE [▼]

☐ PRADJ   ☐ RULES ROLLOVER   ☐ S/J   ☐ PRIOR YEAR DEF   ☐ ISA   ☐ TERMINAL LEAVE

☐ CROSS DEPT RULE   CHARGE DEPT [   ]   ☐ REIMBURSEMENT

Justification/Memo:

[   ]

I hereby submit this electronic LCM Rules Application form, along with supporting documentation from the current General Appropriation Act, other legislative act, or authoritative documents, for approval in the LCM rules subsystem. In doing so I affirm that the entries are accurate representations of this department's authorized payroll account management. The approval of these Rules will enable the department to apply payroll expenditures to correct accounts and will represent accurate and true payroll processing. Detailed and accurate time sheets, signed by an authorized signatory, must be kept on file at the department.

Please fax additional back-up documentation to: (617) 727-2163; Attention: LCM Rules - Payroll Unit

PCRS to LCM Rules Crosswalk

PCRS Rules

01. **Alternate Account**

02. **Account Specific Edit**
03. **Statewide Table**
04. **Master Table**

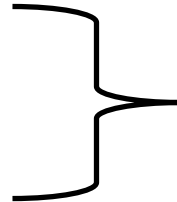05. **Pos Assigned #1**
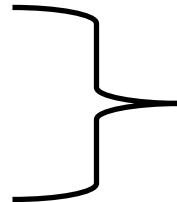07. **Pos Assigned #3**
08. **Pos Assigned #4**
.
.
.
22. **Non-Statutory Req**

LCM Rules

Position Alternate (PALT)

Funds Avail. Control Table (FACTR)

Pos Auth. Accounting (POAA)

Payroll COA Req Elments (PCREQ)

FY'05 Procedures

> **<u>Rollover Requests</u>**:

1. Position Specific (Rule 1)

   * Send email to: LCMRules@osc.state.ma.us

   * Give reasons, list positions and appropriations

2. Account/Dept Specific (Rules 3 & 4)

   * Enter application in LCM (submit)

   * Complete new form:

     - email to: LCMRules@osc.state.ma.us

   <u>Note</u>: Alternate Account and Account Specific Edit
   Rules do not roll

FY'05 Procedures

➢ **For new and all types (Pos. or Dept. Specific, etc)**

1. Enter into LCM, submit

2. Complete Outlook or Excel form, send

3. Comptroller approves/rejects

4. You'll be notified of status

Note:

You can view your request status in LCM PAUTH Activity Folders

Q&A